

Billing Code 3110-01

OFFICE OF MANAGEMENT AND BUDGET

Notice; 2022 Statutory Pay-As-You-Go Act Annual Report

AGENCY: Office of Management and Budget (OMB).

ACTION: Notice.

SUMMARY: This report is being published as required by the Statutory Pay-As-You-Go (PAYGO) Act of 2010. The Act requires that OMB issue an annual report and a sequestration order, if necessary.

FOR FURTHER INFORMATION CONTACT: Erin O'Brien. 202-395-3106.

SUPPLEMENTARY INFORMATION: This report can be found at <https://www.whitehouse.gov/omb/paygo/>.

Authority: 2 U.S.C. 934.

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This Report is being published pursuant to section 5 of the Statutory Pay-As-You-Go (PAYGO) Act of 2010, Public Law 111-139, 124 Stat. 8, 2 U.S.C. 934, which requires that OMB issue an annual PAYGO report, including a sequestration order if necessary, no later than 14 working days after the end of a congressional session.

This Report describes the budgetary effects of all PAYGO legislation enacted during the second session of the 117th Congress and presents the 5-year and 10-year PAYGO scorecards maintained by OMB.¹ Because neither the 5-year nor 10-year scorecard shows a debit for the budget year, which for purposes of this Report is fiscal year 2023,² a sequestration order under subsection 5(b) of the PAYGO Act, 2 U.S.C 934(b) is not required.

The budget year balance on each of the PAYGO scorecards is zero because the Consolidated Appropriations Act, 2023 (Public Law 117-328) shifted the debits on both scorecards from fiscal year 2023 to fiscal year 2025. The change directed by Public Law 117-328 is discussed in more detail in section IV of this report.

During the second session of the 117th Congress, no laws with PAYGO effects were enacted with emergency requirements under section 4(g) of the PAYGO Act, 2 U.S.C. 933(g). Seven laws had estimated budgetary effects on direct spending and/or revenues that were excluded from the calculations of the PAYGO scorecards due to provisions excluding all or part of the law from section 4(d) of the PAYGO Act, 2 U.S.C. 933(d).

I. PAYGO Legislation with Budgetary Effects

PAYGO legislation is authorizing legislation that affects direct spending or revenues, and appropriations legislation

¹ This report encompasses laws enacted between January 3, 2022 at noon and January 3, 2023 at 11:57 am (Public Law 117-82 through Public Law 117-328).

² References to years on the PAYGO scorecards are to fiscal years.

that affects direct spending in the years after the budget year or affects revenues in any year.³ For a more complete description of the Statutory PAYGO Act, see Chapter 8, "Budget Concepts," of the *Analytical Perspectives* volume of the 2023 President's Budget, found on the website of the U.S. Government Printing Office (<https://www.govinfo.gov/app/collection/budget/2023/BUDGET-2023-PER>).

The PAYGO Act's requirement of deficit neutrality is based on two scorecards that tally the cumulative budgetary effects of PAYGO legislation as averaged over rolling 5- and 10- year periods starting with the budget year. The 5-year and 10-year PAYGO scorecards for each congressional session begin with the balances of costs or savings carried over from previous sessions and then tally the costs or savings of PAYGO laws enacted in the most recent session.

The 5-year PAYGO scorecard for the second session of the 117th Congress began with balances of \$741,265 million in 2023 and \$370,633 million per year for 2024-2026. The 10-year PAYGO scorecard for the second session of the 117th Congress began with balances of \$374,039 million in 2023 and \$187,020 million per year for 2024-2031.

Laws enacted during the second session of the 117th Congress created balances on the 5- and 10-year scorecards of \$72,505 million and \$55,709 million in each year, respectively. Public Law 117-328 shifted the fiscal year 2023 debits on both scorecards to fiscal year 2025. Therefore, the 2023 balance on both the 5- and 10-year scorecards is zero. There are balances on the 5-year scorecard of \$443,138 million in 2024, \$1,256,908 million in 2025, \$443,138 million in 2026, and \$72,505 million in 2027. There are balances on the 10-year scorecard of \$242,729 million in 2024, \$672,477 million in 2025, \$242,729

³ Provisions in appropriations acts that affect direct spending in the years after the budget year (also known as "outyears") or affect revenues in any year are considered to be budgetary effects for the purposes of the PAYGO scorecards except if the provisions produce outlay changes that net to zero over the current year, budget year, and the four subsequent years. As specified in section 3 of the PAYGO Act, off-budget effects are not counted as budgetary effects. Off-budget effects refer to effects on the Social Security trust funds (Old-Age and Survivors Insurance and Disability Insurance) and the Postal Service.

million per year for 2026-2031, and \$55,709 million in 2032.

In the second session of the 117th Congress, 55 laws were enacted that were determined to constitute PAYGO legislation. Of the 55 enacted PAYGO laws, 15 laws were estimated to have PAYGO budgetary effects (costs or savings) in excess of \$500,000 over one or both of the 5-year or 10-year PAYGO windows. These were:

- Public Law 117-103, Consolidated Appropriations Act, 2022;
- Public Law 117-108, Postal Service Reform Act of 2022;
- Public Law 117-109, Ending Importation of Russian Oil Act;
- Public Law 117-110, Suspending Normal Trade Relations with Russia and Belarus Act;
- Public Law 117-128, Additional Ukraine Supplemental Appropriations Act, 2022;
- Public Law 117-139, RECA Extension Act of 2022;
- Public Law 117-158, Keep Kids Fed Act of 2022;
- Public Law 117-160, Formula Act;
- Public Law 117-168, Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022;
- Public Law 117-169, To provide for reconciliation pursuant to title II of S. Con. Res. 14 (Inflation Reduction Act);
- Public Law 117-172, Public Safety Officer Support Act of 2022;
- Public Law 117-180, Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023;
- Public Law 117-225, First Responder Fair Return for Employees on Their Initial Retirement Earned Act;
- Public Law 117-263, James M. Inhofe National Defense Authorization Act for Fiscal Year 2023; and

- Public Law 117-328, Consolidated Appropriations Act, 2023.

In addition to the laws identified above, 40 laws enacted in this session were estimated to have negligible budgetary effects on the PAYGO scorecards—costs or savings of less than \$500,000 over both the 5-year and 10-year PAYGO windows.

II. Budgetary Effects Excluded from the Scorecard Balances

A. Legislation Designated as Emergency Requirements

No laws were enacted in the second session of the 117th Congress with an emergency designation under the Statutory PAYGO Act.

B. Statutory Provisions Excluding Legislation from the Scorecards

Seven laws enacted in the second session of the 117th Congress had estimated budgetary effects on direct spending and revenues that were excluded from the calculations for the PAYGO scorecards due to provisions in law excluding all or part of the law from section 4(d) of the PAYGO Act.

All of the budgetary effects in 4 laws were excluded from the scorecards:

- Public Law 117-86, Further Additional Extending Government Funding Act;
- Public Law 117-159, Bipartisan Safer Communities Act;
- Public Law 117-264, Further Additional Continuing Appropriations and Extensions Act, 2023; and
- Public Law 117-167, Making appropriations for Legislative Branch for the fiscal year ending September 30, 2022, and for other purposes.

In addition, certain portions of the budgetary effects in 3 laws were excluded from the scorecards:

- Public Law 117-103, Consolidated Appropriations Act, 2022;
- Public Law 117-229, Further Continuing Appropriations and Extensions Act, 2023; and
- Public Law 117-328, Consolidated Appropriations Act, 2023.

IV. Legislative Revisions to the PAYGO Scorecards

Section 1001(d)(1) of division O of Public Law 117-328, the Consolidated Omnibus Appropriations Act, 2023, states, “For the purposes of the annual report issued pursuant to section 5 of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 934) after adjournment of the second session of the 117th Congress, and for determining whether a sequestration order is necessary under such section, the debit for the budget year on the 5-year scorecard, if any, and the 10-year scorecard, if any, shall be deducted from such scorecards in 2023 and added to such scorecards in 2025.” Accordingly, both the 5- and 10-year scorecards deduct the debit from 2023 and add that debit to 2025.

Section 1001(d)(2) of division O of Public Law 117-328 directs that, at the end of the first session of the 118th Congress, any debits on the scorecards in 2024 be deducted from 2024 and added to 2025. That action will be reflected in next year’s report if such debits exist.

V. Sequestration Order

As shown on the scorecards, the budgetary effects of PAYGO legislation enacted in the second session of the 117th Congress, combined with section 1001(d)(1) of division O of Public Law 117-328, resulted in no costs on either the 5-year or the 10-year scorecard in the budget year, which is 2023 for the purposes of this Report. Because the costs for the budget year, as shown on the scorecards, were set to zero for the budget year, there is no “debit” on either scorecard under section 3 of the PAYGO Act, 2 U.S.C. 932, and a sequestration order is not required.⁴

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⁴ Sequestration reductions pursuant to the Balanced Budget and Deficit Control Act (BBEDCA) Section 251A for 2023 were calculated and ordered in a separate report and are not affected by this determination. See: https://www.whitehouse.gov/wp-content/uploads/2022/03/BBEDCA_251A_Sequestration_Report_FY2023.pdf